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ABSTRACT

This syllabus for an "issues" approach to an introductory economic principles course evolved out of three years of experimentation at Oklahoma State University. The syllabus covers 11 important social issues: population growth, agriculture, higher education, crime, pollution, health, poverty, discrimination, unemployment, inflation, and the energy crisis. Each issue is treated as follows: (1) points for discussion are presented; (2) these discussion points are followed by a listing of the economic concepts and principles explained and applied in the discussion of the issue; (3) the essential aspects of the issue, the economic analysis of the issue, and what can be done about the issue are recapitulated; and (4) assignments are made from several books which are designed primarily for an issues-oriented principles course. Five schedules in the appendix suggest ways to integrate an "issues" approach into introductory one-semester courses taught with a principles text and a supplementary issues text. An evaluation of the course indicates that an issues approach does not adversely affect economic learning and that students favor the course. This syllabus is the first of several that are being published by the Joint Council on Economic Education to provide alternative approaches to "the" introductory course. (JH)

D. J. van den Heuvel Jr

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Syllabus for an "Issues Approach" to Teaching Economic Principles

Richard H. Leftwich and Ansel M. Sharp
Oklahoma State University

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THE JOURNAL OF ECONOMIC EDUCATION

To promote the teaching and learning of economics in colleges, junior colleges and high schools by sharing knowledge of economic education.

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Foreword

Several years ago the Joint Council—in cooperation with the American Economic Association's Committee on Economic Education—undertook a project to explore alternative approaches to teaching the college introductory economics course.

Although dissatisfaction with the introductory course has a long history, it was not the purpose of our project to come up with "the" introductory course. Rather, our goals were to develop alternative approaches that overburdened professors in the two- and four-year colleges might find more useful than their current offerings and to encourage others to improve and expand upon the Joint Council's efforts.

The following course syllabus is only one of several that the Joint Council will publish in the coming months. The Council is grateful to all those who participated in the project, and to The American Bankers Association and the Alfred P. Sloan Foundation for their generous support.

Arthur L. Welsh

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I. Introduction

There is a growing interest in the "issues approach" to teaching economic principles. This is evidenced by the increasing number of pages devoted to issues in principles textbooks and the rising number of books designated and labeled as strictly issues books. Underlying this move toward the issues approach is the belief that a traditional principles of economics course with its emphasis on abstract formal theory has been far from successful. The adjectives that students often ascribe to the course are "difficult," "dry," "dull," "irrelevant." Whether these are justifiable or not, the traditional course has succeeded over the years in turning off untold thousands of students. This is unfortunate. Economics has much to say about many social issues, and many mistakes in policy-making are traceable to widespread economic illiteracy.

This syllabus evolved out of three years of experimentation with an issues-oriented principles course at Oklahoma State University. The experimentation began in the fall of 1971, at which time an issues course was introduced into the basic economic principles program. The issues-oriented principles course at Oklahoma State University replaced a traditional three-hour credit course in economic principles. Thus, it became an integral part of a six-hour credit principles program over a two-semester period with issues stressed in one semester and theory in one semester.

Objectives and Format

At the inception of the issues course it was agreed that formal economic analysis would not be stressed. Economic concepts and principles would be limited with nothing more difficult than simple supply and demand analysis. The prime objectives of the new course were to create interest in economics and to arouse a desire on the part of students to pursue it further.

A central idea behind the development of an issues course was the belief that students learn more when the subject matter is interesting and relevant and when what they are supposed to learn is repeated by means of a learning process involving contemporary social issues. Thus, a "set of principles" and a "set of issues" were developed with this central idea in mind; namely, a set of concepts and principles would be selected that would be used over and over again in a set of issues until its elements were firmly established in students' minds.

In each issue certain elementary economic principles and concepts basic to the analysis of that issue are introduced, explained and applied. The issues themselves are organized so as to facilitate a systematic development of principles and concepts. Issues are selected which are thought to be interesting and stimulating, and to lend themselves to learning economics. Each issue is approached as follows: (1) the nature of the problem is presented generally from the viewpoint of the public; (2) the economic aspects of the problem are introduced, showing how economists conceive the problem; (3) basic economic concepts and principles are developed; (4) basic economic tools are applied to the issue and policy proposals suggested from the economic analysis are made.

Evaluation of Results

In the evaluation of the experimental principles course at Oklahoma State University, two research instruments were relied on: (1) a student questionnaire, and (2)

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the Test of Understanding in College Economics (TUCE). The student questionnaire served as an indicator of students' tastes and preferences for the new issues course. An examination drawn from questions on the TUCE was used to generate data needed to test hypotheses. Two major hypotheses tested were: (1) there is no significant difference in the gain in economic learning between an issues-oriented principles course and a theory-concentrated principles course; and (2) there is no significant difference in economic learning between a two-semester principles sequence—one semester issues and one semester theory—and the traditional two-semester principles sequence.

The details of the evaluation of the OSU experiment are available on request. Two general conclusions based on our research findings are: first, an issues-oriented principles course may be introduced into an economic principles program without any significant loss in economic learning; second, the favorable response of students to an issues-oriented principles course and its resultant encouraging enrollment effects suggest that it is worthwhile to introduce it into an economic principles program.

Integrating the Issues Approach

An issues approach may be integrated into an economics principles program in various ways. At Oklahoma State University we use a six-hour credit program consisting of an issues-oriented principles course and a theory-oriented principles course. These two principles courses covering both micro and macro principles reinforce one another and may be taken either at the same time or in a two-semester sequence.

An issues-oriented principles course may, however, be used as a terminal one-semester course. Some colleges and universities may already have a one-semester terminal principles course and would need only to change the approach to an issues approach.

Still another alternative is to emphasize issues throughout two semesters using an issues book as a supplement to a conventional two-semester principles text.

Assignment Schedules and Organization

In order to cover these different teaching situations several sample assignment schedules have been developed and are included in the Appendix of this syllabus for illustrative purposes. The first, Schedule A, may be used either for a one-semester terminal principles course or for an issues-oriented principles course in a two-semester principles sequence. Schedules B, C, D and E show how issues can be worked into courses using conventional texts. Each is for a different popular conventional text.

The syllabus covers eleven important social issues. The first one, population growth, is used to introduce the fundamental economic problem of unlimited wants and limited means of satisfying them. The following five issues—agriculture, higher education, crime, pollution, and health develop basic microeconomic principles. The next two use poverty and discrimination to elucidate income distribution principles. Issues nine and ten on unemployment and inflation are concerned with economic stabilization. Finally, the energy crisis serves as a capstone for the course.

Each issue included in the syllabus is treated as follows: first, points for discussion are presented; second, these discussion points are followed by a listing of the economic concepts and principles explained and applied in the discussion of the issue; third, the essential aspects of the issues, the economic analysis of the issues, and what can be done about the issues are recapitulated. Fourth, assignments are made from several books which were designed primarily for an issues-oriented principles course.

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Assignment References

1. Rendigs Fels and Robert G. Uhler, *Casebook of Economics and Policies: Practice in Thinking*. St. Paul, Minn.: West Publishing Co., 1974. (New edition expected early in 1975.)
2. Richard H. Leftwich and Ansel M. Sharp, *Economics of Social Issues*. Dallas: Business Publications, Inc., 1974.
3. Douglass C. North and Roger LeRoy Miller, *The Economics of Public Issues*. New York: Harper and Row, 1973.
4. Llad Phillips and Harold L. Votey, Jr., Editors, *Economic Analysis of Pressing Social Problems*. Chicago: Rand McNally, 1974.
5. Gustav Schachter and Edwin L. Dale, Jr., *The Economist Looks at Society*. Lexington: Xerox College Publishing, 1973.

Issue 1 — Population Growth — Can the Earth Hold Us All?

Major Discussion Points

1. Why are people concerned with population growth?
2. What is the Malthusian population theory?
3. What is the nature of the basic economic problem of all societies? Can all wants be satisfied? Why or why not?
4. What is GNP? How is it related to the economy's production possibility curve?
5. How do we measure living standards? Is population growth related to living standards?
6. What are the measures of population growth?
7. Is population growth a serious problem in the United States? In other developed countries? In moderately developed countries? In underdeveloped countries?
8. What are the worldwide prospects for future population growth? What are the economic implications of those prospects?
9. What is the possible impact of zero population growth on demand patterns? On GNP?
10. Consider some possible governmental policies to reduce the fertility rate.

Economic Concepts and Principles

Human wants	Economic activity
Scarce resources	Gross National Product (GNP)
Labor	Production possibility curve
Capital	Per capita GNP
Technology	Economic growth

Recapitulation

General concern over population growth centers around the beliefs that it will (1) reduce living standards, (2) elevate pollution levels, and (3) cause excessive crowding. Recognition of the insatiability of human wants, the scarcity of resources, and the nature of economic activity are essential to an analysis of the economic effects of population growth.

The resources available to an economy can be divided into two categories: (1) labor and (2) capital. The quantities of resources, together with the level of technology, determine the maximum GNP the economy can produce. Given a country's GNP, the larger its population, the lower will be its average standard of living as measured by per capita GNP.

The most important measures of population growth are (1) the rate of natural increase, (2) the net migration rate, (3) the rate of population increase, and (4) the fertility rate.

The impact of population growth on living standards seems to be most serious in moderately developed countries. The developed countries appear to have little or no population pressure on their living standards. Underdeveloped countries may or may not have population problems.

Zero population growth, toward which some of the developed economies have moved, may have effects on the distribution of population among age brackets, the growth of GNP, and on demand patterns.

There are two alternative courses of possible government action that could reduce fertility rates and population growth. The first consists of positive incentive programs to influence decisions regarding family size. The second consists of programs for widespread birth control education and the establishment of easy-access birth control facilities.

Assignment

Leftwich and Sharp, Chapter 1, "Population Growth—Can the Earth Hold us All?"
North and Miller, Chapter 1, "The Economics of the Population Explosion."
Phillips and Votey, Editors, Chapter 11, "Population Pressure and the Quality of Life," by Harold L. Votey, Jr.

Issue 2 — Agricultural Issues — Should We Subsidize the Rich?

Major Discussion Points

1. What is the nature of the agricultural problem?
   a. What does the evidence show with respect to the income distribution among farms?
   b. What are the causes of the instability of farm incomes over time?
2. What is demand?
   a. When we define demand what factors other than price do we hold constant?
   b. What is the *law of demand*?

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c. Explain and illustrate with a diagram the difference between a change in demand and a change in quantity demanded.

3. Define supply.
   a. What are the factors that are held constant?
   b. Explain and illustrate with a diagram the difference between a change in supply and a change in quantity supplied.
4. Discuss the concept of market structure.
   a. What are the characteristics of competitive markets?
   b. Of monopolistic markets?
5. How is the price determined in a competitive market?
6. What is an equilibrium price?
   a. What causes a surplus?
   b. What causes a shortage?
7. How do we measure the responsiveness of the quantity taken of a product to a change in its price, given the demand for a product? How is this measure computed?
8. Demonstrate the relationships between total receipts, the magnitude of elasticity, and price changes.
9. Discuss and evaluate the economic effects of supply restriction programs, storage and loan programs, and direct subsidy programs.
10. What policies would you recommend to alleviate the farm problems?
11. Discuss the meat boycott of 1973.
    a. What caused the prices of meat to rise?
    b. What were the effects of the meat boycott?
       (1) Short-run effects.
       (2) Long-run effects.

Economics Concepts and Principles

Per capita income
Income distribution
Economic instability
Demand
Law of demand
Change in quantity demanded
Change in demand
Supply
Change in supply
Change in quantity supplied
Equilibrium price
Surplus
Shortage
Price elasticity of demand
Price supports
Subsidy
Economic efficiency

Recapitulation

Low farm incomes and instability of farm incomes are usually thought of as the main agricultural problems. The evidence shows that per capita farm income has been lower than per capita nonfarm income. But these average data provide no information on the inequality of income distribution among farms. Instability of farm income may result from natural causes and from economic fluctuations. Farm incomes are more unstable than nonfarm incomes over time.

Demand and supply analysis can be advantageously applied to agricultural problems. The price of a product in a competitive market is determined by the forces of demand and supply. They help us to analyze the impact of government farm programs on efficiency and income redistribution. The concept of elasticity of demand

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is important since the magnitude of elasticity will determine what happens to the total amount spent by buyers of a product when its price changes, given the demand for the product.

The problem of relatively lower per capita farm incomes results from the economic growth processes. The demand for agricultural products grows more slowly than does demand for nonagricultural products. The reallocation of resources from farm to nonfarm activities has not been fast enough to eliminate the income differences between the farm and nonfarm populations.

The major government farm programs have been (1) supply restriction programs, (2) storage and loan programs, and (3) direct subsidy programs. A demand and supply analysis of the effects of each program indicates that they are not likely to solve the two major agricultural problems. Poor farmers receive very little assistance from the government. In addition, farm programs have reduced economic efficiency by leaving idle some of the economy's scarce resources. An antipoverty program for the entire economy may be the appropriate attack on the farm problem.

Demand and supply analysis provides an excellent tool to evaluate the effectiveness of the meat boycott of 1973. The demand for and supply of meat have been increasing over time. Demand for meat has been increasing faster than supply, causing prices to rise.

The short-run impact of the boycott on demand may have served to reduce prices somewhat, but this may have been offset to some extent by short-run withholding of supplies. The long-run effects of the boycott are likely to be negligible.

Assignment

Leftwich and Sharp, Chapter 2, "Agricultural Issues—Should We Subsidize the Rich?"

Fels and Uhler, Case 21, "Meat Boycott."

North and Miller, Chapter 7, "The Economics of Raising Less Corn and More Hell."

Phillips and Votey, Editors, Chapter 1, "The American Farm Problem: Welfare for the Rich and High Food Prices," by Lloyd J. Mercer.

Issue 3 — Economics of Higher Education — Who Benefits and Who Pays the Bills?

Major Discussion Points

1. Outline the following problems of higher education:
   a. What kinds of services should be provided?
   b. How much should be provided?
   c. Who should pay for them?
2. What is the nature of the following major services that higher education provides?
   a. Development of human capital.
   b. Direct consumption benefits.
   c. Social spillover benefits.

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3. Is higher education an economic good or a free good?
4. Explain the alternative cost principle.
5. How do we measure the real cost to a society of producing a good or service?
6. Differentiate between *explicit costs* and *implicit costs* of producing a good or service.
7. What kinds of higher educational costs are
   a. Explicit?
   b. Implicit?
8. Who bears the major costs of higher education, the student and his family, or taxpayers?
9. What are some of the economic shortcomings of the present institutional structure of higher education?
10. What are some of the possible alternatives of financing higher education?

Economic Concepts and Principles

Investment in human capital
Social spillover benefits
Social spillover costs
Alternative cost principle
Production possibility curve
Implicit costs
"Free rider" problem

Recapitulation

The primary problems that colleges and universities face are (1) what kinds of higher educational services should be provided, (2) how much should be provided, and (3) who should pay for them?

Institutions of higher education use resources and technology to provide educational services. These services consist of (1) investment in human capital, (2) direct consumption benefits, and (3) social spillover benefits. The incidence of benefits appears to accrue mostly to the individuals who attend colleges and universities.

The economic costs of higher education are not usually made clear although most people realize that the production of educational services is costly. The nature of the economic costs of higher education can be explained by the alternative cost principle with the aid of a production possibility curve. The explicit costs of higher educational services are the costs of both capital and labor resources used directly by colleges and universities. The implicit costs of higher education are the foregone earnings of students who would otherwise be in the labor force. The student and his family bear the major share of total costs.

The present institutional structure of higher education—state-supported institutions plus private institutions—has several shortcomings. It does not provide information on how much educational services the economy should produce relative to other goods and services. State support does not appear to accomplish its objective of making higher education available to the children of poor families. The implicit costs of higher education are so great that even with low tuition rates not many children of the poor find it possible to attend. A full-tuition method of financing higher education should make institutions more responsive to the demands of students and their families and, therefore, more efficient in producing the "correct" amounts of higher educational services. If the argument is correct that state subsidization of higher education is intended to make it possible for the children of the poor to attend, it appears that direct subsidies to students rather than to institutions would be more likely to fulfill that objective.

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Assignment

Leftwich and Sharp, Chapter 5, "Economics of Higher Education—Who Benefits and Who Pays the Bills?"

North and Miller, Chapter 23, "The Economics of Indentured Servants and Public Higher Education."

Phillips and Votey, Editors, Chapter 8, "Higher Education—Should Students Pay Their Way?" by D. R. Winkler.

Issue 4 – Economics of Crime and its Prevention – How Much Is Too Much?

Major Discussion Points

1. What is crime?
   a. Are criminal activities immoral?
   b. How are criminal acts classified?
   c. What are some of the underlying causes of crime?
2. How may the economic costs of crime be measured in reference to the GNP?
   a. Are crimes against persons an authentic part of the costs of crime?
   b. Are resources spent on prevention, apprehension, and corrections included in economic costs?
   c. Is the money stolen from someone a part of the economic costs of crime?
3. Explain what is meant by collectively consumed goods.
   a. What is the "free rider" problem?
   b. How may government solve the "free rider" problem?
4. What is the "correct" level of crime prevention activities?
   a. What are the economic benefits from crime prevention activities?
   b. What are the economic costs of crime prevention activities?
   c. Under what conditions is the money spent on another unit of crime prevention justifiable?
5. The equimarginal principle determines the correct or efficient mix of the different kinds of crime prevention. Explain.
   a. Suppose the last dollar spent on the legal system brings in benefits equal to $2.00 and the last dollar spent on the police force brings in benefits equal to $1.50. Should more or less resources be allocated to the legal system?
   b. If more and more resources are spent on the detection and apprehension of criminals, would marginal benefits tend to increase or decrease? Explain.
   c. Should the allocation of the budget for crime prevention activities be altered if the marginal benefits of the last dollar spent amount to the same for the different criminal activities?
6. What are the likely economic effects of legalizing abortions?
   a. Would the demand for abortions increase?
   b. Would the supply of abortions increase?
   c. What would happen to the price of abortions?

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Economic Concepts and Principles

Individually consumed goods and services
Collectively consumed goods and services
Semicollectively consumed goods and services
Social spillover benefits
Social spillover costs
Economic costs
Marginal benefits
Marginal costs
Equimarginal principle
Alternative cost principle
"Free rider" problem

Recapitulation

Criminal activities may be defined as activities that are illegal. It is useful to classify these activities as (1) crimes against persons, (2) crimes against property, (3) traffic in illegal goods and services, and (4) other.

Goods and services may be classified as those (1) individually consumed, (2) collectively consumed, and (3) semicollectively consumed. The classification is helpful in the analysis of governmental prevention of crime.

Cost-benefit analysis can be employed to determine the net benefits to society from the prevention of crime. The level at which net benefits are greatest is the one at which marginal benefits and marginal costs are equated.

After determining the correct level of crime prevention, the correct mix of the various facets of prevention may be determined through the use of the equimarginal principle. This principle insures the equality of the marginal benefit from each of the facets, subject to the given budget constraint.

Supply and demand analysis can show the effects of legalizing certain acts. The usual results of legalization are an increase in the quantity exchanged, a decrease in the price, and improvement in the quality of the good or service. The case of abortion shows the changes resulting from legalization.

Assignment

Leftwich and Sharp, Chapter 4, "Economics of Crime and Its Prevention—How Much is Too Much?"
Fels and Uhler, Case 5, "The Price of Sin."
North and Miller, Chapter 22, "The Economics of Crime Prevention."
Phillips and Votey, Editors, Chapter 12, "The War on Crime: Prevention or Control," by Llad Phillips.
Schachter and Dale, Jr., Chapter 10, "Crime."

Issue 5 — Pollution Problems — Must We Foul Our Own Nests?

Major Discussion Points

1. What are the most common forms of pollution?
2. Since no one likes pollution, why does it occur?
3. What are the effects of pollution on the allocation of resources?
   a. Discuss the impact on a firm's output when it avoids the costs of cleaning wastes by dumping them into a stream.

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b. Explain what will happen to a firm's output if it must clean polluted water before using.

4. Use a production possibilities curve to illustrate the costs of pollution control.
5. How can a marginal benefit-marginal cost framework aid in determining the appropriate level of pollution control?
6. What types of policies have been recommended to control pollution?
   a. Why are direct controls popular? What are some disadvantages of direct controls?
   b. How may taxation be used to control pollution? Discuss its advantages and disadvantages.
   c. How would the assignment of property rights aid in controlling pollution?

Economic Concepts and Principles

Alternative cost principles	Economic cost
Production possibilities curve	Externalities (spillovers)
Marginal benefit	Social cost
Marginal cost	Private cost
Cost-benefit analysis	Economic efficiency

Recapitulation

The issue of pollution can be used to illustrate how the presence of external costs will result in an inefficient allocation of resources. The external effects arise because of (1) the absence of well-defined property rights and (2) the collectively consumed nature of the pollution itself.

The alternative cost principle can be applied to answer the question, "How much pollution do we want?" The marginal cost-marginal benefit framework can be used to determine the "best" level of pollution control. The cost-benefit framework indicates that prohibition against pollution seldom results in economic efficiency.

Various kinds of governmental policies with regard to pollution must be considered. Polluting activities may be controlled by outright prohibitions, providing polluters with incentives not to pollute and through assignment of property rights to whatever is being polluted.

The policy alternatives can be compared relative to their advantages and disadvantages.

Assignment

Leftwich and Sharp, Chapter 5, "Pollution Problems—Must We Foul Our Own Nest?"
North and Miller, Chapter 13, "The Economics of the Automobiles."
Fels and Uhler, Case 3, "Pollution and Poverty."

Issue 6 — Health Issues — Is It Worth What It Costs?

Major Discussion Points

1. Is the rising cost of health care a major problem to our society?

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a. What does the public think?
b. What is the view of economists?

2. What are some of the special characteristics of health services?
   a. What is the role of the physician?
   b. Are consumers well informed concerning health services?
   c. Are there spillover benefits?
   d. Do people regard health care as a right?
   e. Are illnesses predictable?

3. Do the following characteristics of demand for health services help to explain the rising costs of health care:
   a. A low elasticity of demand.
   b. Increasing demand because of growth in per capita income, growth in third party payments, and the development of Medicaid and Medicare.

4. Do the major characteristics of the supply of physician and hospital services help to explain why the cost of health care has risen?
   a. Is the elasticity of supply of physicians elastic or inelastic in the short run? Long run?
   b. Why did the median income of physicians almost double between 1959 and 1969?
   c. What is the effect on the supply of hospital services of an increase in hospital investment? Increase in technology? Higher wages to hospital employees?

5. Is the health care industry providing health services at the lowest possible prices?
   a. What about the admission practices of Medical Schools?
   b. How do AMA (American Medical Association) policies affect the price of health services?
   c. What is the influence of County Medical Societies? The State Licensing System?
   d. How may the use of paramedical personnel affect the price of health care?
   e. How may group practice and health centers affect economic efficiency in the supply of health services?

6. In addition to the problem of efficiency, meeting the health needs of the poor and persons with prolonged illnesses are unsolved problems. How may these problems be solved?
   a. What are the main characteristics of the national health insurance plan proposed by the Nixon Administration?
   b. How does the Kennedy-Griffiths Program differ from the Nixon plan?

Economic Concepts and Principles

Elasticity of demand	Less than full-cost pricing
Changes in demand	Elasticity of supply
Per capita income	Changes in supply
Tastes and preferences	Investment
Relative prices	Technological advancements
Substitution effects	

Recapitulation

As an introduction to health issues, the rising costs of health care can be shown as attributable to price increases, population growth, greater per capita use, and improved services. Also as a background to the understanding of health services the

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special characteristics of health services can be indicated—the role of the physician, consumer ignorance, spillover benefits, health as a "right," and the unpredictability of illness. The discussion of health care services can be developed around the two major health problems, (1) efficiency in the supply of health services, and (2) equity in the distribution of health services.

A demand and supply framework is useful in examining the problem of economic efficiency in the supply of health services. The demand for health services has increased rapidly due to increases in per capita income, in tastes, in third party payments, and in government health programs—Medicare and Medicaid. The supply of health services has not kept up with the growth in demand. The elasticity of supply for some health services, for example the services of physicians, is low, especially in the short run. Entry into the health industry is limited by artificial barriers designed to control the supply of health services. The removal of barriers to entry would tend to increase the supply of health services and check the rise in prices of health services. In addition, efficiency in the supply of health services may be increased by a reorganization of the industry, making greater use of paramedical personnel and the development of hospital-based health centers.

Equity in the distribution of health services involves the problems of meeting the health needs of the poor and the problem of persons with catastrophic expenses. These can be discussed in the light of various national health insurance schemes such as the Nixon Administration's proposal, Martin Feldstein's proposal, and the Kennedy-Griffiths National Health Program.

Assignment

Leftwich and Sharp, Chapter 6, "Health Issues—Is It Worth What It Costs?"
Schachter and Dale, Jr., Chapter 11, "Health and Medical Care."
North and Miller, Chapter 9, "The Economics of Medical Care" and Chapter 28, "The Economics of Professional Incomes."

Issue 7 — Poverty Problems — Is Poverty Necessary?

Major Discussion Points

1. What is meant by poverty?
   a. What is the official definition of poverty?
   b. Who are the poor?
   c. How much progress have we made in bringing families above the threshhold of poverty?
2. Is the problem of poverty mainly an income distribution problem?
   a. What is meant by income equality and inequality?
   b. What is the income distribution pattern in the U.S.?
   c. Are we moving toward more income equality in the U.S.?
3. How do each of the following contribute toward an understanding of the causes of poverty?

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a. Pattern of resource ownership.
b. Prices paid to resources.
c. Levels of employment.

4. What clues does economic analysis provide to attack poverty problems?
5. Discuss and give examples of the two approaches government has used to alleviate poverty.
   a. Increase the productivity of the poor.
   b. To maintain incomes of the poor.
6. What is the essence of negative income tax proposals?
7. Consider a negative income tax as a possible replacement for the following:
   a. The current public assistance program.
   b. All income support programs.

Economic Concepts and Principles

Income inequality	Determinants of income distribution
Demand for labor	Pattern of resource ownership
Supply of labor	Negative income tax
Wage rate determination	

Recapitulation

Poverty problems can be approached in two ways. First, poverty can be treated in terms of absolute income levels. Second, poverty can be examined in terms of relative incomes. In terms of the official definition of poverty, persons and families who are poor are the blacks, the young, the aged, the uneducated, the unemployed, the working poor, the nonworking poor, and rural people. The Lorenz curve explains what is meant by income equality or inequality in this country.

Poor and low-income families have small quantities and low qualities of resources. Therefore, low income can be traced to low levels of training and education, misfortune, relatively small inheritances, and discrimination. The basic principles of wage rate determination can be introduced. Demand and supply curves help to explain that a worker is paid about what he is worth to his employer in competitive markets; that is, he is paid in accordance to his contribution to the total receipts of his employer.

The analysis of the problem of poverty suggests that government programs should concentrate on increasing the productivity of the employable poor and guaranteeing a minimum annual income. A guaranteed annual income plan can be considered as an alternative to the current public assistance program or as an alternative to all current income support programs.

Assignment

Leftwich and Sharp, Chapter 7, "Poverty Problems—Is Poverty Necessary?"
North and Miller, Chapter 33, "The Economics of a Negative Income Tax and the Elimination of Poverty."
Schachter and Dale, Jr., Chapter 1, "Poverty."

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Issue 8 – Discrimination – The High Cost of Prejudice

Major Discussion Points

1. What is meant by discrimination?
   a. How is it defined from the public's viewpoint?
   b. What is its dictionary definition?
   c. How can the definition be expressed in terms of the market?
2. To what sources can most market discrimination be traced?
3. Discuss the following kinds of market discrimination, explaining how each affects the allocation of resources.
   a. Wage discrimination.
   b. Employment discrimination.
   c. Occupational discrimination.
   d. Price discrimination.
4. Economic costs result from discrimination.
   a. What are these costs to the individual?
   b. What are the costs to society?
5. Discuss two major forms of existing nonmarket discrimination?
6. Certain policy measures can be implemented to reduce discrimination.
   a. What can be done to reduce market discrimination?
   b. How can nonmarket discrimination be reduced?

Economic Concepts and Principles

Market discrimination	Nonmarket discrimination
Wage discrimination	Monopoly power
Employment discrimination	Exploitation
Occupational discrimination	Tastes for discrimination
Price discrimination	Economic cost of market discrimination

Recapitulation

Discrimination is defined to mean either that equals are treated unequally or that unequals are treated equally. For example, workers with the same productivity are paid unequal wages and workers with different productivity are paid equal wages. An alternative way of defining discrimination is that people with identical economic characteristics, say people with the same education, training and experiences, receive different pay due to social differences such as sex, color, religion, etc. The major sources of market discrimination are traced to monopoly power and to people's tastes for discrimination. Wage, employment, occupational and price discrimination are the major kinds of market discrimination.

The economic costs of discrimination fall on individuals in the form of lower income and reduced job opportunities, and fall on society in the form of a lower level of national income. The costs of discrimination can be viewed as an inefficient allocation and use of resources in the economy. Discrimination limits production possibility choices to points which fall inside of the production possibility curve.

Two related points are emphasized in the economic analysis of market discrimination. The first point is that observed differences in wages and prices may reflect dif-

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ferences in productivity and costs. The second point is that the existence of discrimination depends upon the evidence that wage and price differences cannot be explained on the bases of labor productivity and production costs.

Policies designed to reduce discrimination must attack the major source of discrimination. They should serve to reduce tastes for discrimination or to prevent those tastes from being effective. They should, also, attack the monopoly power that makes discrimination possible in the market place. Tastes for discrimination can be reduced in several ways—by changing the tastes of people through education preventing by law the fulfillment of tastes for discrimination, and encouraging employers not to discriminate by the payment of a subsidy to employers who do not discriminate. The exercise of monopoly power can be reduced by removing monopoly itself through vigorous use of antimonopoly laws. It is more difficult to discriminate in competitive markets—markets where there is no individual control over prices.

Assignment

Leftwich and Sharp, Chapter 8, "Discrimination—The High Cost of Prejudice."
North and Miller, Chapter 29, "The Economics of Exploitation and Discrimination."
Schachter and Dale, Jr., Chapter 2, "Discrimination: Race," and Chapter 3, "Discrimination: Sex."

Issue 9 – Unemployment Issues – Why Do We Waste Our Labor Resources?

Major Discussion Points

1. What are the economic and social effects of unemployment?
2. Who are the unemployed?
3. Discuss the meaning of involuntary unemployment.
4. a. What are the three major types of unemployment?
   b. Are some types of unemployment less bad than others?
5. How do we calculate the unemployment rate?
6. a. Why does the level of economic activity fluctuate?
   b. Use the circular flow to illustrate the behavior of economic activity.
   c. What impact do changes in economic activity have on the employment of resources?
7. a. What is *aggregate* demand
   b. Give examples of the forces causing aggregate demand to increase (decrease). What effects do such changes have on unemployment?
8. a. What is *aggregate* supply?
   b. Why does the aggregate supply curve become vertical (perfectly inelastic) at the full employment level of output?
9. How is the level of output determined?
10. a. What is meant by a "deficiency in aggregate demand"?
    b. Why may this deficiency occur?

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c. Discuss the leakages from and the injections into the circular flow.

11. What kinds of government fiscal policies would you recommend for combating cyclical unemployment? Structural unemployment?
12. What kinds of Federal Reserve monetary policies would you recommend to reduce cyclical unemployment?

Economic Concepts and Principles

Potential GNP	Circular flow
GNP gap	Aggregate demand
Involuntary unemployment	Aggregate supply
Frictional unemployment	Leakages
Structural unemployment	Injections
Cyclical unemployment	Fiscal policy
Unemployment rate	Monetary policy

Recapitulation

The problem of unemployment can be discussed in terms of both social and economic effects. The social effects involve breaking up human relationships within and outside the family. The economic effect is measured by the loss of goods and services attributable to unemployed resources. The production possibilities curve can be used effectively to illustrate the economic costs of unemployment. The difference between potential GNP and actual GNP serves as a measure of the economic cost of unemployment.

The problems of defining unemployment need discussion. This lays the groundwork for an examination of the causes and possible cures for the three types of unemployment—frictional, structural and cyclical.

The circular flow diagram is useful in showing how the economy operates. Leakages (saving, taxes and imports) from the circular flow and injections (investment, government purchases and exports) into the circular flow can be introduced. Also, the critical role they play in determining income and production may be explained. The understanding of the forces causing unemployment may be augmented further by the presentation of aggregate demand and supply schedules and the forces operating behind them.

In combating cyclical unemployment, unemployment due to a deficiency in aggregate demand, government fiscal policy and Federal Reserve monetary policy can be designed to cope with this kind of unemployment. Structural unemployment has to be dealt with in a different way. Structural unemployment may be reduced by government policies designed to relocate human resources to areas where jobs are available and by government policies designed to foster wage and price flexibility. Frictional unemployment is not considered a serious economic problem since it is transitional in nature. However, frictional unemployment can be kept to a minimum by better job information and by a smoothly functioning competitive economy.

Assignment

Leftwich and Sharp, Chapter 9, "Unemployment Issues—Why Do We Waste Our Labor Resources?"

Fels and Uhler, Case 9, "President Nixon on Tax Cuts and Spending Cuts."

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Issue 10 – Inflation – How to Gain and Lose at the Same Time

Major Discussion Points

1. How is inflation defined?
2. How is inflation measured?
   a. What price indices are used and what do they show?
   b. How is a price index series constructed?
3. Discuss the major economic effects of inflation.
4. What are the basic functions of money?
5. Discuss the nature of the equation of exchange and identify clearly each term in it. What does it tell us about the relationship between the money supply and the price level?
6. What does the quantity theory of money have to say about inflation?
7. Discuss demand-pull and cost-push types of inflation.
8. Which of the variables of the equation of exchange does monetary policy affect?
   a. What are the components of the money supply?
   b. How can the Federal Reserve affect the money supply?
9. How does fiscal policy work to counteract inflation?
10. What effects do monopolies have on inflation rates?
11. Discuss the possibilities of a "trade-off" problem between inflation and unemployment.
12. Discuss and evaluate the four phases of the Nixon Administration wage-price control policies.
13. What policies would you recommend for control of future inflation?

Economic Concepts and Principles

Inflation	Equation of exchange
Price index numbers	Quantity theory of money
Equity	Legal reserve requirement
Efficiency	Open market operations
Demand-pull inflation	Discount rate
Cost-push inflation	Inflation-unemployment dilemma
Money supply	

Recapitulation

Inflation may be defined as an increasing general level of prices. Increases in the price level are measured by consumer and wholesale price index numbers. Inflation affects the economy via the distribution of income, the allocation of resources, and the national output.

The money supply is a key variable in the inflationary process. Its relation to the price level is elucidated by the quantity theory of money which can be built up conveniently around the equation of exchange.

In terms of aggregate demand-aggregate supply analysis, demand-pull inflation results from an increase in aggregate demand while cost-push inflation stems from a decrease in aggregate supply.

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Control of inflation consists primarily of the proper exercise of monetary and fiscal policies. Monetary policies emphasize control over the money supply by the Federal Reserve authorities. They can control the money supply through open market operations, variations in the discount rate, and variations in the minimum required reserve ratios of member banks. Fiscal policies refer to federal government tax and expenditure policies. In addition to monetary and fiscal policies, the government can encourage reductions in import restrictions.

A problem involved in inflation control is that of the possible "trade-off" between unemployment and inflation. This can be analyzed by means of the Phillips curve—both movements along the curve and shifts in the curve.

The results of the four phases of wage-price controls under the Nixon Administration demonstrate the weakness and problems of direct controls. They indicate the importance of monetary and fiscal policies in dealing with inflation and unemployment.

Assignment

Leftwich and Sharp, Chapter 10, "Inflation—How to Gain and Lose at the Same Time."

Fels and Uhler, Case 16, "Why Don't They Attack the Real Source of Inflation?"

Issue 11 — Energy Crisis — Why Must Simple Things Be Made Complex?

Major Discussion Points

1. What is the nature of the energy crisis?
2. a. Identify the main groups of consumers of energy in the U.S. economy.
   b. What factors are responsible for the increasing demand for energy?
3. a. What are the sources of energy supply to the U.S.?
   b. Where does the U.S. obtain its crude petroleum?
4. a. What caused the energy crisis to hit the U.S. in late 1973?
   b. Apply demand and supply analysis to the problem.
5. a. Was the government's price controls program a factor in causing the energy crisis?
   b. What were the effects of the Arab embargo?
6. Discuss the following proposed solutions to the crisis:
   a. Direct nonprice rationing plans.
   b. A per unit tax on gasoline.
   c. A free-market price for petroleum and its products.
7. What effects would you expect higher petroleum prices to have on supplies?
8. a. What are some of the advantages of using the price system as a rationing device?
   b. What are some of the arguments against using the price system as a rationing device?

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Economic Concepts and Principles

Demand	Rationing
Supply	Nonprice rationing
Equilibrium price	Efficiency
Ceiling price	Per unit taxes
Shortages	Subsidies

Recapitulation

A demand and supply framework is useful in examining the energy crisis. Demand for petroleum (which provides about one-half of our energy requirements) has been increasing relative to supply. These changes in demand and supply imply that prices of petroleum products will move toward higher equilibrium levels. They also imply that the acute shortages result from the government's price control policies which have held both crude petroleum and petroleum product prices below their equilibrium levels.

Policy alternatives to the crisis include nonprice rationing systems, the imposition of a per unit tax on petroleum products, and the removal of price controls to allow prices to seek their equilibrium levels. They must be compared on the basis of their relative advantages and disadvantages.

Assignment

Leftwich and Sharp, Chapter 11, "The Energy Crisis—Must Simple Things Be Made Complex?"

North and Miller, Chapter 21, "The Economics of Energy."

Phillips and Votey, Editors, Chapter 2, "Oil, Energy, and Environmental Concerns," by Walter J. Mead.

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III. Appendix—Assignment Schedules

Assignment Schedule A

Text: (LS) Richard H. Leftwich and Ansel M. Sharp, *Economics of Social Issues*. Dallas: Business Publications, Inc., 1974.

Additional References:

(FU) Rendigs Fels and Robert G. Uhler, *Casebook of Economics and Policies: Practice in Thinking*. St. Paul: West Publishing Co., 1974.

(NM) Douglass C. North and Roger LeRoy Miller, *The Economics of Public Issues*, 2nd edition. New York: Harper and Row, 1973.

(PV) Llad Phillips and Harold L. Votey, Jr., Editors, *Economic Analysis of Pressing Social Problems*. Chicago: Rand McNally, 1974.

(SD) Gustav Schachter and Edwin L. Dale, Jr., *The Economist Looks at Society*. Lexington: Xerox College Publishing, 1973.

Schedule:

Week	*Topic*	*Text Assignment*	*Additional References*
1	Population Growth	LS, Chapter 1	NM, Chapter 1 PV, Chapter 11
2	Agricultural Issues	LS, Chapter 2	FU, Case 21 NM, Chapter 7
3	Agricultural Issues		PV, Chapter 1
4	Higher Education	LS, Chapter 3	NM, Chapter 23 PV, Chapter 8 SD, Chapter 12
	Test 1		
5	Crime	LS, Chapter 4	FU Case 5 NM, Chapter 22 PV, Chapter 12
5 and 6	Pollution	LS, Chapter 5	NM, Chapter 13 FU, Case 3 SD, Chapters 6, 7
6 and 7	Health Problems	LS, Chapter 6	NM, Chapters 9, 28 SD, Chapter 11
8	Poverty	LS, Chapter 7	NM, Chapter 33 SD, Chapter 1
9	Discrimination	LS, Chapter 8	NM, Chapter 29 SD, Chapters 2, 3
	Test 2		
10	Unemployment	LS, Chapter 9	
11	Aggregate Demand-Aggregate Supply		
12	Fiscal Policy		FU, Case 9
12	Inflation	LS, Chapter 10	FU, Case 16 SD, Chapter 16

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13	Causes of Inflation		
14	Monetary Policy		
15	Energy	LS, Chapter 11	NM, Chapter 21 PV, Chapter 2
	Final Test		

Assignment Schedule B

Milton H. Spencer, *Contemporary Economics*, 2nd edition. New York: Worth Publishing Co., Inc., 1974.

Richard H. Leftwich and Ansel M. Sharp, *Economics of Social Issues*. Dallas: Business Publications, Inc., 1974.

First-Semester Schedule:

Class Meeting	*Assignment Spencer*	*Assignment Leftwich and Sharp*
1	Class Organization; What is Economics All About? Ch. 1	
2	Goals of An Economic System, Ch. 2	
3		Population Growth, Ch. 1
4	Capitalism, Ch. 3	
5		
6	Laws of Supply and Demand, Ch. 4	
7		
8		
9	Households; The Distribution of Income and Wealth, Ch. 5	
10		Poverty Problems, Ch. 7
11		
12		Discrimination, Ch. 8
13		
14	**Test I**	
15	Government: Functions, Social Goods and Taxation, Ch. 7	
16	National Income and Product, Ch. 8	
17		
18		Unemployment Issues, Ch. 9
19		
20		
21	Economic Instability Ch. 9	
22	Consumption, Saving, and Investment, Ch. 10	
23		
24	Income and Employment Determination, Ch. 11	
25		
26		

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27 Fiscal Policy and Public Debt, Ch. 12
28
29 **Test II**
30 Our Monetary and Banking System, Ch. 13
31
32 Commercial Banking, Ch. 14
33
34 Central Banking, Ch. 15
35 Inflation, Ch. 10
36
37 Money, Interest, and Macroeconomic Equilibrium, Ch. 16
38
39
40 Economic Stabilization, Ch. 17
41
42
43 Explanations of Economic Growth, Ch. 18
44 Problems of Economic Growth, Ch. 19
45
Test III

Second-Semester Schedule:

1 Class Organization, What Is Economics All About? Ch. 1
2 Goals of An Economic System, Ch. 2
3 Population Growth, Ch. 1
4 Laws of Supply and Demand, Ch. 4
5
6 Applications of Supply and Demand, Ch. 21
7 Agricultural Issues, Ch. 2
8
9 Consumer Demand, Ch. 22
10
11
12 **Test I**
13 Cost of Production, Ch. 23
14
15 Perfect Competition, Ch. 24
16
17
18 Monopoly Behavior, Ch. 25
19
20
21 Imperfect Competition, Ch. 26
22
23
24 **Test II**
25 Factor Markets, Ch. 27

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26		
27	Determination of Factor Prices, Ch. 28	
28		
29	General Equilibrium, Ch. 29	
30		
31		The Energy Crisis, Ch. 11
32		
33	**Test III**	
34	The Business Sector, Ch. 6	
35	Role of Government, Ch. 7	
36		Economics of Higher Education, Ch. 3
37		
38		Economics of Crime and Its Prevention, Ch. 4
39		
40		
41		
42		
43		Health Issues, Ch. 6
44		
45		
	Test IV	

Assignment Schedule C

Campbell R. McConnell, *Economics*, 5th edition. New York: McGraw-Hill Book Company, 1972.

Richard H. Leftwich and Ansel M. Sharp, *Economics of Social Issues*. Dallas: Business Publications, Inc., 1974.

First-Semester Schedule:

Class Meeting	*Assignment McConnell*	*Assignment Leftwich and Sharp*
1	Class Organization, The Nature and Method of Economics, Ch. 1	
2	An Introduction to the Economizing Problem, Ch. 2	Population Growth, Ch. 1
3		
4	Pure Capitalism and the Circular Flow, Ch. 3	
5	The Facts of American Capitalism: Households, Ch. 7	
6	The Facts of American Capitalism: Business, Ch. 8	
7	The Facts of American Capitalism: Government, Ch. 9	

8	The Five Fundamental Questions and the Price System, Ch. 5	
9	Mixed Capitalism and the Economic Functions of Government, Ch. 6	Economics of Crime and its Prevention, Ch. 4
10		
11		
12	**Test I**	
13	The Mechanics of Individual Prices: Demand and Supply, Ch. 4	
14		
15	National Income Accounting, Ch. 10	
16		
17	The Business Cycle, Unemployment and Inflation, Ch. 11	
18		
19	The Background and Analytical Tools of Employment Theory, Ch. 12	Unemployment Issues, Ch. 9
20		
21		
22	The Equilibrium Levels of Output, Employment, and Income, Ch. 13	
23		
24		
25	**Test II**	
26	The Economics of Fiscal Policy, Ch. 14	
27		
28	Fiscal Policy and the Public Debt, Ch. 15	
29	Money and Banking in American Capitalism, Ch. 16	Inflation, Ch. 10
30		
31		
32	How Banks Create Money, Ch. 17	
33		
34	The Federal Reserve Banks and Monetary Policy, Ch. 18	
35		
36	Economic Stability, Theory and Policy, Ch. 19	
37	**Test III**	
38	The Single Analytics of Economic Growth, Ch. 20	
39		
40	Economic Growth: The American Experience, Ch. 21	
41		
42	Growth in American Capitalism: Costs, Problems, and Policies, Ch. 22	
43		
44	Review	

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45 **Final Test**

Second-Semester Schedule:

1	The Nature and Method of Economics, Ch. 1	Population Growth, Ch. 1
2	The Economizing Problem, Ch. 2	
3	The Market Structures of American Capitalism, Ch. 23	
4		
5	The Mechanics of Individual Prices: Demand and Supply, Ch. 4	
6		
7	Demand, Supply, and Elasticity: Some Applications, Ch. 24	Agricultural Issues, Ch. 2
8		
9	Rural Economics: The Farm Problem, Ch. 36	
10		
11		
12	**Test I**	
13	Further Topics in the Theory of Consumer Demand, Ch. 25	
14		
15	The Costs of Production, Ch. 26	The Economics of Higher Education, Ch. 3
16		
17		
18	Price and Output Determination: Pure Competition, Ch. 27	
19		
20		
21	Price and Output Determination: Pure Monopoly, Ch. 28	
22		
23	**Test II**	
24	Price and Output Determination: Monopolistic Competition, Ch. 29	
25		
26	Price and Output Determination: Oligopoly, Ch. 30	Health Issues, Ch. 6
27		
28		
29	Production and the Demand for Economic Resources, Ch. 31	
30		
31	The Pricing and Employment of Resources, Wage Discrimination, Ch. 32	
32	The Economics of Inequality and Poverty, Ch. 38	Poverty Problems, Ch. 7
33		Discrimination, Ch. 8

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34		
35		
36	Urban Economics: The Problems of Cities, Ch. 37	Pollution Problems, Ch. 5
37		
38		
39	**Test III**	
40	International Trade and the Economics of Free Trade, Chap. 42	
41	The Balance of Payments and Exchange Rates, Ch. 43	
42		
43	International Trade and Finance: Problems and Policies, Ch. 44	
44	The Underdeveloped Nations: A Special Problem in Economic Growth, Ch. 45	
45	**Final Test**	

Assignment Schedule D

Edwin Mansfield, *Economics*. New York: W.W. Norton and Company, Inc., 1974.
Richard H. Leftwich and Ansel M. Sharp, *Economics of Social Issues*. Dallas: Business Publications, Inc., 1974.

First-Semester Schedule:

Class Meeting	*Assignment Mansfield*	*Assignment Leftwich and Sharp*
1	Class Organization, Economic Problems, Ch. 1	
2	Economic Analysis, Ch. 2	
3		Population Growth, Ch. 1
4	The American Economy, Ch. 3	
5		
6	The Price System, Ch. 4	
7		
8	Economic Role of the Government, Ch. 5	
9	Government Expenditures, Taxation, and the Public Debt, Ch. 6	
10		
11	The Business Firm, Ch. 7	
12		
13	**Test I**	
14		Unemployment Issues, Ch. 9
15		
16	Unemployment, Inflation, and National Output, Ch. 8	
17		
18	Determination of National Output, Ch. 9	
19		

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20

21 Fiscal Policy and National Output, Ch. 10

22

23 Business Fluctuations and Economic Forecasting, Ch. 11

24

25 **Test II**

26 Inflation, Ch. 10

27

28 Role and Importance of Money, Ch. 12

29

30 The Banking System and the Quantity Theory, Ch. 13

31

32 Monetary Policy, Ch. 14

33

34 Economic Stabilization Policy, Ch. 15

35

36

37 **Test III**

38 Economic Growth, Ch. 16

39

40 American Economic Growth, Ch. 17

41

42 International Trade, Ch. 30

43

44 Less Developed Countries, Ch. 33

45

Test IV

Second-Semester Schedule:

1 Class Organization, Economic Problems, Ch. 1

2 Economic Analysis, Ch. 2

3 Population Growth, Ch. 1

4 The American Economy, Ch. 3

5

6 The Price System, Ch. 4

7

8

9 Consumer Behavior, Ch. 19

10 Market Demand, Ch. 20

11

12 Agricultural Issues, Ch. 2

13

14 **Test I**

15 Optimal Input and Cost Analysis, Ch. 21

16

17 Perfect Competition, pp. 475-483

18

19	Monopoly, pp. 483-490	
20	A Comparison of Perfect Competition and Monopoly, pp. 490-496	
21		
22	Imperfect Competition, Ch. 24	
23		
24	Industrial Organization, Ch. 25	
25		
26	Determinants of Wages, Ch. 26	
27	**Test II**	
28	Income Inequality, Ch. 28	
29		Poverty Problems, Ch. 7
30		Discrimination, Ch. 8
31		
32	General Equilibrium, Ch. 29	
33	Role of Government, Ch. 5	
34	The Business Firm, Ch. 7	
35		Economics of Higher Education, Ch. 3
36		
37		Economics of Crime and Its Prevention, Ch. 4
38		
39	Environmental Pollution, Ch. 18	
40		
41		Pollution Problems, Ch. 5
42		Health Issues, Ch. 6
43		
44		The Energy Crisis, Ch. 11
45		
	Test III	

Assignment Schedule E

Willis L. Peterson, *Principles of Economics: Micro* and *Principles of Economics: Macro*, revised edition. Homewood: Richard A. Irwin, 1974.

Richard H. Leftwich and Ansel M. Sharp, *Economics of Social Issues*. Dallas: Business Publications, Inc., 1974.

First-Semester Schedule:

Class Meeting	*Assignment Peterson*	*Assignment Leftwich and Sharp*
1	Class Organization, Introduction to Microeconomics, Ch. 1	
2		
3		Population Growth, Ch. 1
4	Consumer Choice, Ch. 2	

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Producer Choice, Ch. 4
Product Supply, Ch. 5

Demand and Supply in Product Market, Ch. 6

Test I

Agricultural Issues, Ch. 2

Perfect Competition, Ch. 7

Imperfect Competition, Ch. 8

Test II
The Labor Market, Ch. 9

The Capital Market, Ch. 10

The Economics of Education, Ch. 11

Economics of Higher Education, Ch. 3

Economics of Crime and Its Prevention, Ch. 4

Pollution Problems, Ch. 5

Test III
Economics of Science and Technology, Ch. 12

Health Issues, Ch. 6

The Energy Crisis, Ch. 11

Test IV

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Second-Semester Schedule:

1	Class Organization, Introduction to Macroeconomics, Ch. 1	
2	Unemployment and Inflation, Ch. 2	
3		
4	Measure of National Output, Ch. 3	
5		
6		Unemployment Issues, Ch. 9
7		
8		
9	Keynesian Model without Money, Ch. 4	
10		
11		
12		
13	**Test I**	
14	Demand for Money, Ch. 5	
15		
16	Supply of Money, Ch. 6	
17		
18		
19	Keynesian Model with Money, Ch. 7	
20		
21		
22	Fiscal Policy, Ch. 8	
23		
24		
25	Monetary Policy, Ch. 9	
26		
27		
28		Inflation, Ch. 10
29		
30		
31		
32	**Test II**	
33	Poverty and the Distribution of Income, Ch. 10	
34		
35		
36		Poverty Problems, Ch. 7
37		
38		Discrimination, Ch. 8
39		
40	International Trade and Finance, Ch. 11	
41		
42		
43	Economic Growth and Development, Ch. 12	
44		
45		
	Test III	

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